

# WORKER TRAINING PROGRAM

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## ANNUAL REPORT

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JULY 2014 - JUNE 2015





**Pete Ricketts**  
Governor

## STATE OF NEBRASKA

### DEPARTMENT OF LABOR

John H. Albin, Commissioner  
P.O. Box 94600 • Lincoln, NE 68509-4600  
Phone: 402.471.9000 • [dol.nebraska.gov](http://dol.nebraska.gov)

September 1, 2015

Governor Pete Ricketts  
Second Floor, NW Corner  
State Capitol  
Lincoln, NE 68509-4848

Dear Governor Ricketts:

On behalf of the Worker Training Program, I am pleased to provide you with the report on activities for Program Year July 1, 2014 through June 30, 2015.

This past year the program funded 316 grants in whole or in part, over sixty-nine per cent (69%) of all entities applying. In awarding almost \$1,140,000.00 throughout the state, the program will benefit an estimated 649 Nebraska businesses and over 12,500 Nebraska workers. Matching funds by participating employers exceeded \$2,700,000.00. The average grant award was \$3,605.42. The top training activities last year (ranked by the number of approved requests):

Manufacturing/Machine Operations	36 grants	11.4% of all grants approved
Leadership	34 grants	10.7%
Safety Related Topics	31 grants	9.8%
IT (Development/Programming/Software)	29 grants	9.1%
Electricals/Programmable Logic Controls	20 grants	6.3%
Productivity	20 grants	6.3%
Management/Supervision	15 grants	4.7%
ISO/Lean Manufacturing	15 grants	4.7%
Laws/Regulations/Ethics	15 grants	4.7%
Marketing/Sales	15 grants	4.7%

Other accomplishments of note: 1) The Board supported the creation of an electronic application that will allow businesses to apply online and cut down on paperwork for staff. The site will be operational in October; 2) The Program funded several grants aimed at recruiting veterans to relocate to Nebraska; 3) Approved grants for school systems in Omaha, Wahoo and Adams to improve teaching techniques and continued to fund a joint effort of Omaha Public Schools and the Electrician's Union for an Electrical Career Academy at Omaha Benson High School.

In closing, since its creation this program has awarded over \$26 million to Nebraska businesses to train their workers in areas they judge important. On behalf of the Board and staff, I thank you for your continuing support of this successful partnership of business, education and government.

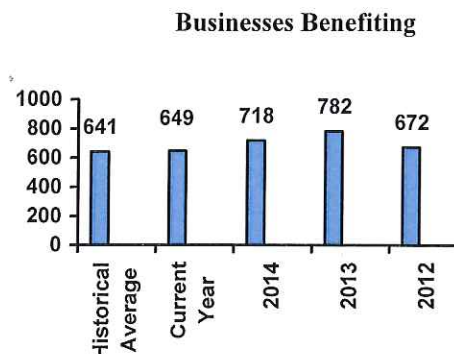
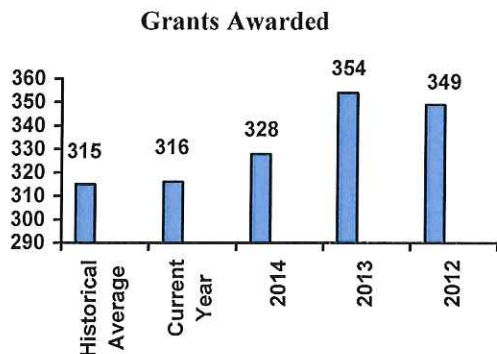
Sincerely,

Greg Eden  
Molex, Incorporated  
Chair, Worker Training Board

cc: Members of the Nebraska Legislature Business and Labor Committee

**The number of employers receiving grants:**

<u>Time Period</u>	<u>Grants Received</u>	<u>Grants Awarded</u>	<u>Businesses Benefiting</u> *
Fiscal Year	446	316	649
History of the Program	7,791	5,678	11,553



**Comment:**

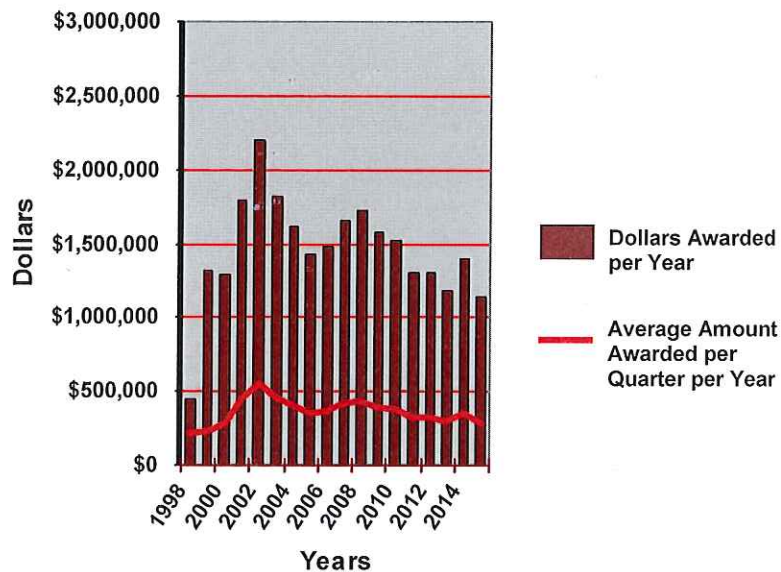
Funding in whole or in part was awarded to sixty-nine per cent (69%) of those applying.

**The dollar amount of grants awarded:**

<u>Time Period</u>	<u>Amount Awarded</u>
Fiscal Year	\$1,139,314
History of the Program	\$26,171,967
Historical Average	\$1,453,956
Average-Last 3 Years	\$1,237,359

**Comment:**

The total amount awarded decreased by \$258,659.00 from the previous year. This year the average amount awarded each quarter was \$284,828.00. Projections indicate that the current level of funding can be increased next year, if warranted.



\*The number of businesses benefiting is higher than the number of grants awarded because only one employer receives the funding in a consortium. This past year 41 consortia were funded.

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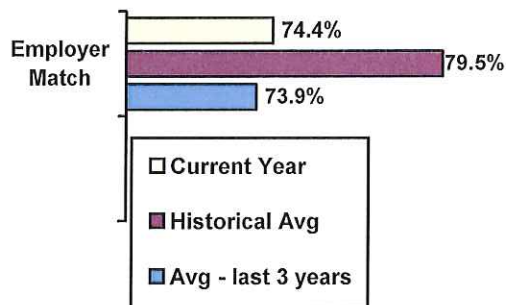
The value, expressed in dollars and as a percentage, of total training expenditures of matching contributions made by employers:

<u>Time Period</u>	<u>Amount Matched By Employers</u>	<u>% Matched By Employers</u>
Fiscal Year	\$2,704,232	70.4%
History of the Program	\$75,427,925	79.5%

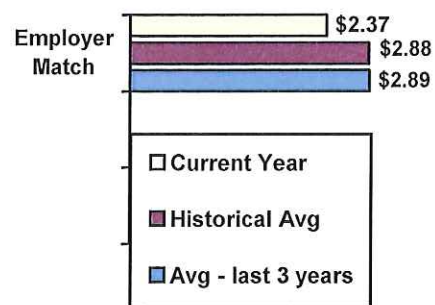
**Comment:**

Employers matched two dollars and thirty-seven cents (\$2.37) for every dollar awarded by the program. The historical figure stands at two dollars and eighty-eight cents (\$2.88) matched for every dollar awarded.

**Matching Percentage**



**Match Per Dollar Awarded**



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The geographical distribution of employers receiving grants under the program:

[See Attached Map](#)

**Comment:**

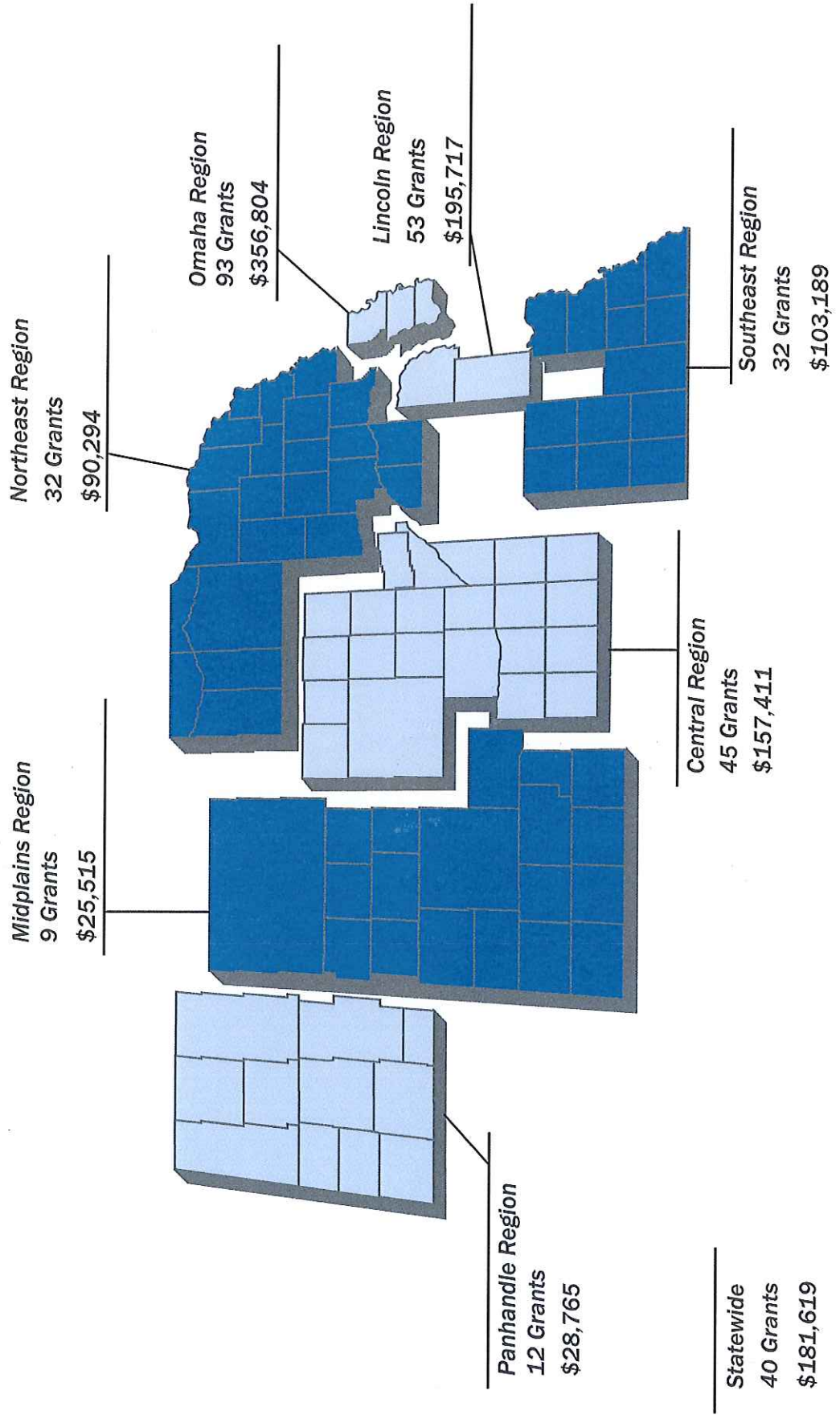
In order to insure equitable distribution between urban and rural communities, the Program has divided the state into seven (7) geographic areas. Those areas: Greater Omaha, (containing Washington, Douglas, and Sarpy counties); Greater Lincoln (containing Lancaster and Saunders counties); and five (5) regions in Greater Nebraska containing the remaining eighty-eight (88) counties – Panhandle, Mid Plains, Central, Southeast and Northeast. Grants serving two or more areas have their funds assigned to a statewide category. A percentage of the funds available each quarter initially are assigned to those areas based on the worker population in each area. So, for example, Omaha is assigned a higher percentage of available funds than the Panhandle. Distribution is influenced by the amount of money available in each area and by the quality of the applications. Funds not used in one area can be transferred to another area.

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# Geographical Grant Distribution

July 1, 2014 - June 30, 2015



The number of businesses that apply and receive grants under the program and the total amount of grants awarded in each of the five categories:

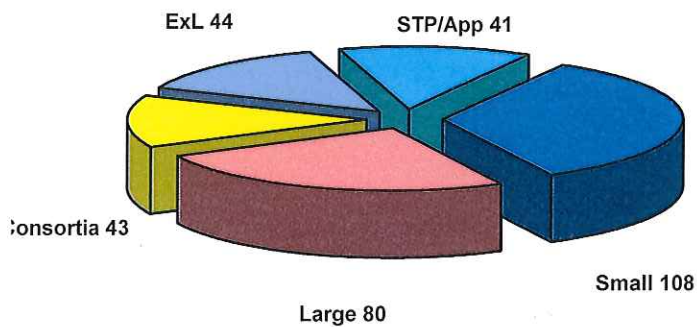
<u>Category</u>	<u>Program Definition</u>	<u>Amount Awarded</u>
Small	Less than 100 employed	\$243,064
Large	100 – 499 employed	\$249,903
Extra Large	500 or more employed	\$202,601
Consortia	Partnership of any categories	\$163,853
STP/Apprentice	Non-profits/Apprenticeships	\$279,893

**Comment:**

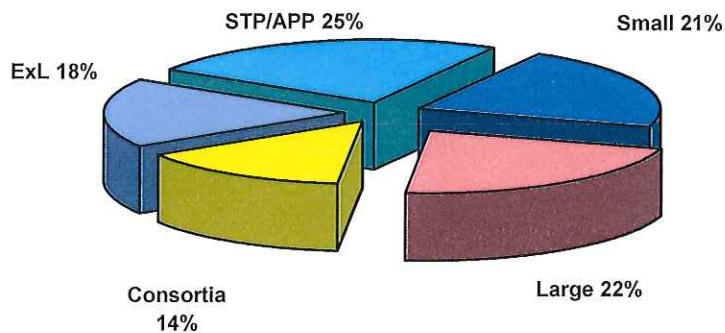
When the Worker Training Program was created the legislature wanted to insure that employers of all sizes had equal access to these funds. The initial target figure for small, large, and ex-large for-profit businesses is twenty percent (20%) of available funds per category. Up to twenty percent (20%) of the available funds may be used for workers of reimbursable employers and for stipends during apprenticeship training. These Special Training Project (STP) funds may also support small business entrepreneurial training and any training advancing development of new industries in the state. Twenty percent (20%) of grant funds are available to the Commissioner to distribute at any time, in any category, for any training initiative he believes will provide significant economic benefit to a region or the state.

The Board continues to align itself with the Battelle Study. Twenty-seven percent (27%) of all **for-profit** business grants funded – a total of seventy-five (75) applications – were awarded to those businesses within the following Battelle clusters: Financial Services, Precision Metals Manufacturing, Software & Computer Services, and Transportation, Warehousing & Distribution.

**Applications Approved**



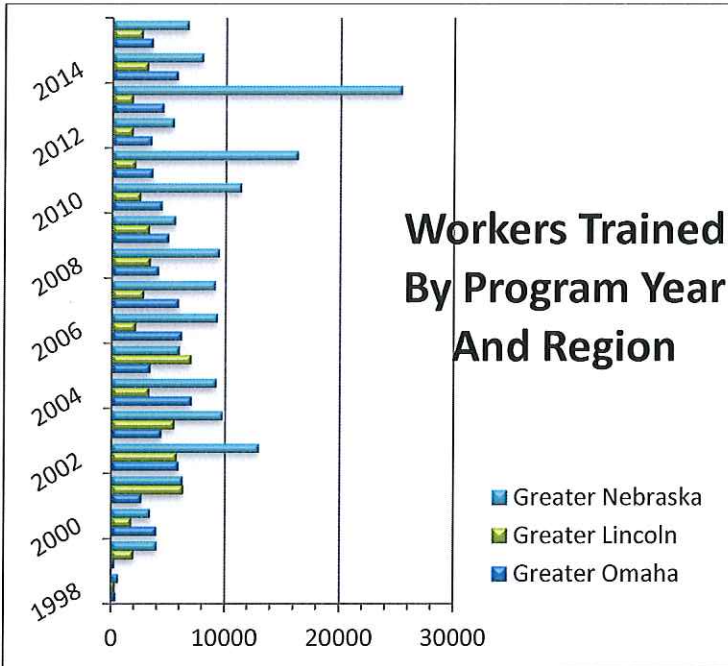
**Funds Awarded**





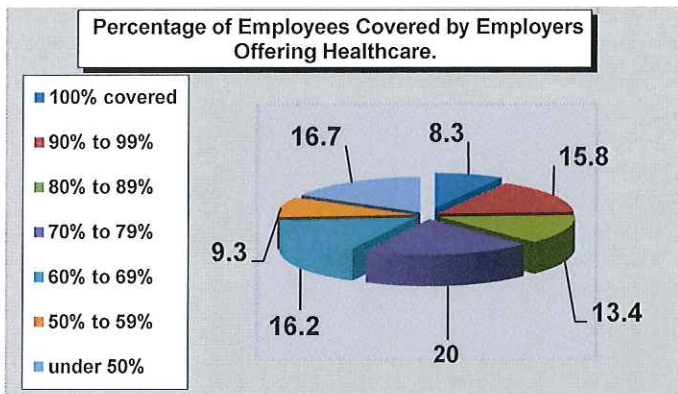
Total number of employees trained – reported by regions of the state (estimates as some grants remain open); employees covered by health care; companies reporting wage increases:

Time Period	Greater Omaha	% Of Total	Greater Lincoln	% Of Total	Greater Nebraska	% Of Total	Total*
Fiscal Year	3,479	23.5%	2,591	17.5%	6,652	45%	14,779
History of the Program	70,298	24.1%	48,772	16.7%	163,582	56.2%	290,854
Historical Average	3,905		2,709		9,087		16,158
Avg. – Last 3 Years	4,557	14%	2,475	7.1%	13,181	78.8%	21,049

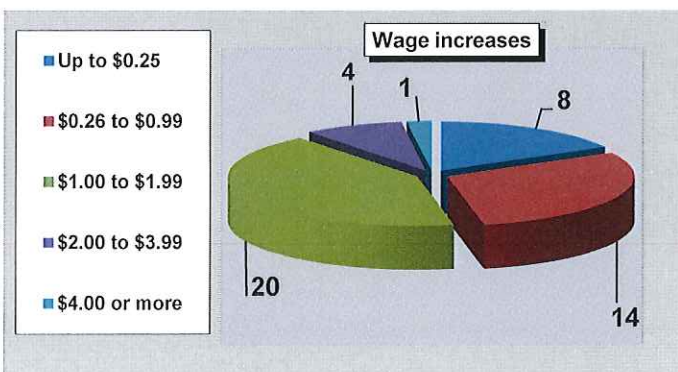


**Comment:** Not shown in the above chart, statewide grants (those covering two or more regions) trained two thousand and fifty-seven (2,057) workers last year. The average number trained in Greater Nebraska the last three years is high because Tyson Foods conducted on-line training in various topics for all Lexington and Dakota City workers in 2013. The average cost per participant for the year was \$77.09. The historical average is now \$89.98 per participant.

\*Exact figures are available only when training is completed. Until verified, the number used is taken from the application.



**Comment:** Of the two hundred ninety (290) employers closing out their grants in the past year, two hundred fifteen (215) or seventy-four percent (74%), reported that they offer health care insurance to their employees. Eight point three percent (8.3%) of the employers responding covered all (100%) of their employees.



**Comment:** Of those recipients responding to this close-out question, forty-seven (47) of the 290, sixteen percent (16%), reported an increase in employee wages as a result of training received.

DEPARTMENT OF LABOR  
NEBRASKA TRAINING AND SUPPORT TRUST FUND  
(NTST)

FUND ANALYSIS  
QUARTER ENDING JUNE 30, 2015

Cash Balance as of June 30, 2015	\$4,158,842.82	Average of previous 3 months
Plus: Estimated June 2015 <i>SUIT</i> Interest	88,795.29	Average of previous 3 months
Plus: Estimated June 2015 NTST Investment Interest	6,677.87	
	(A) \$4,254,315.98	

Projections for the twelve month period of July 2015 - June 2016		
Add Annual Revenue:		
Estimated <i>SUIT</i> deposits based on current <i>SUIT</i> Cash Balance	\$1,066,667.25	See note (1) below
Estimated NTST interest earned	88,636.00	See note (2) below
Total	(B) \$1,155,303.26	
Less Annual Expenses:		
Grant Awards Payable	\$550,835.00	From amount outstanding 7-01-15
Rolling Annual Expenses Admin =	92,941.43	Projected Admin Expenses
Liability for UI Collection of <i>SUIT</i> Tax	40,440.98	From FY13 <i>SUIT</i> Admin Costs
Estimated Cash Reserve	114,036.24	Cash Reserve = Expenditure over 2 months
Total	(C) \$798,253.65	
Projected total available for grants through 6/30/2016	\$4,611,365.59	(A) + (B) - (C)

**Notes:**

(1) To estimate quarterly deposits, the current average annual interest rate of 1.95979% is used.  
Average Daily Balance in May 2015 is \$54,427,630.22 (according to DAS report). Estimated annual interest from *SUIT* is  
\$54,427,630.22 x 1.95979% = \$1,066,667.25

(2) Annual interest from NTST

Beginning Balance as of July 1, 2015	(A) \$4,254,315.98	
Estimated Annual Expenses	(798,253.65)	(C)
Estimated interest transferred from <i>SUIT</i>	1,066,667.25	See Note (1)
Estimated Average Balance	\$4,522,729.59	
Estimated Annual Interest from NTST	\$88,636.00	(\$4,522,729.59 x 1.95979%) h



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**Other Relevant Program Information or Indicators That Relate To the Effectiveness of the Program and Its Administration, As Required By Statute:**

**Comment:**

As these Nebraska businesses attest, the Worker Training Program is an ongoing success for the State of Nebraska, its businesses and its workers.

**Customer Comments:**

*We appreciate your support in helping us keep up with the ever changing technology in our line of work and helping us to improve productivity for our customers*

**Rhonda Ragland, Ragland Automation, Pickrell**

*Grant # S-7579*

*I think the program runs very smoothly. This was my first grant and it was an easy to maneuver process. I appreciated the fact that I could call and get quickly connected with someone who could answer my questions.*

**Lori Feulner, Norder Supply, Inc., Bruning**

*Grant # S-7689*

*I think this is a good program to help smaller companies.*

**Kevin Toxword, Standard Heating and Air Conditioning, La Vista**

*Grant # S-7507*

*This program is essential for rural employers.*

**Linda Simonsen, Pender State Bank**

*Grant # S-7088*

*Excellent program that allows our community to secure excellent speakers to all businesses at an affordable cost.*

**Karen Anderson, Scottsbluff/Gering United Chamber**

*Grant # C-7757*

*NDOL Grants are a great tool for employers to use – Please continue to promote this program.*

**Paul Christenson, NECO/Nebraska Engineering Co., Omaha**

*Grant #S-7627*

*The program has been very beneficial for the commercial construction industry.*

**Jean Petsch, AGC Nebraska Building Chapter, Lincoln**

*Grant #C-7542*

*Once we learned about the program, it was easy to access, the forms were not overly complicated and the Department of Labor was very responsive and helpful. Not sure there is much to improve.*

**Beverly Reicks, National Safety Council - Nebraska**

*Grant # C-7676*

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NEBRASKA  
**DEPARTMENT OF LABOR**

Nebraska Worker Training  
Program

Board Membership

**Greg Eden, Chair**  
**Employer's Representative**

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